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# Research of the Problems of the Functioning of Institutional Service Structures and Provision of Regulatory and Legal Criteria in this Sphere

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**Annotation:** The article discusses the processes of formation and development of modern market infrastructure in Uzbekistan, as well as approaches to obtain additional reserves for the further development of business infrastructure. The functions of market infrastructure institutions, characteristic for the development of entrepreneurship in the conditions of liberalization and modernization of the economy of the Republic of Uzbekistan, are determined. It is concluded that the development of entrepreneurship directly depends on the state of the institutional structure of service and the provision of legal documents in this area.

**Keywords:** formation and development of modern market infrastructure; the institutional structure of the service; regulatory criteria; entrepreneurship; modernization of the economy.

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The most responsible, labor-intensive and capital-intensive stage of the transition period in Uzbekistan is the formation and development of small and private businesses. Unfortunately, today entrepreneurs are constantly faced with a wide variety of problems and difficulties in their activities. Often this is due to the imperfection and underdevelopment of institutional structures for servicing entrepreneurship. In this regard, for Uzbekistan, the formation of an entrepreneurial infrastructure as the basis for entrepreneurial activity and, consequently, economic growth is of particular importance.

The regulatory documents adopted in the country reflect measures aimed at creating more favorable conditions for small businesses and private entrepreneurship, ensuring their smooth functioning and further deepening and liberalization of ongoing reforms [1, 2, 3]. In particular, the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 provides for “state regulation of small businesses and private entrepreneurship and improvement of the business environment, reducing state participation in the economy, further strengthening the protection of rights and the priority role of private property, continue institutional and structural reforms aimed at stimulating the development of small businesses and private entrepreneurship”[4].

As the President of the Republic of Uzbekistan Sh. Mirziyayev noted, “In fact, the main goal of such reforms is to ensure a decent level and quality of life for the population [ 5; 6 b.]. Therefore, today the issues of state regulation of small business and private entrepreneurship, the development of the business environment are of particular importance.

Now the Republic of Uzbekistan seeks, using various approaches, to obtain additional reserves for the further development of the business infrastructure. There are certainly many such factors: the economic potential of the republic, the formation of a legislative framework, the level and structure of qualified personnel, the assistance of central and local authorities to the development of small and private businesses, etc.

Without going into consideration of all these factors here, we will try to find out what role the infrastructure factor plays in the development of small and private entrepreneurship. In this case, first of all, it is necessary to define the concept of "infrastructure". Infrastructure is a system of industries, networks, activities that creates favorable conditions for the development of small and private businesses and the life of the population.

In economic theory, a distinction is made between "broad" and "narrow" infrastructure. In a broad sense, market infrastructure includes the entire system of institutions of all local markets. In a narrower sense, they mean material objects of infrastructure - "public consumption goods", the production and use of which is usually provided by the state (urban transport systems, water supply systems, etc.).

The development of entrepreneurship directly depends on the state of the institutional structure of service. With this in mind, the service structures that business entities face in their activities have been studied. At the same time, the functions of market infrastructure institutions, characteristic of the transitional period of the economy of the Republic of Uzbekistan, are determined. Based on the nature and nature of functioning, the infrastructure elements are divided into:

- 1) Financial and credit institutions: - a network of commercial and state banks, a currency exchange, financial investment funds and companies, brokerage and dealer companies, insurance agencies.
- 2) Exchange and trade and intermediary institutions: - commodity exchanges, real estate exchanges, trading houses, brokerage houses, commercial centers, small-scale wholesale trading markets, intermediary commodity-purchasing organizations, wholesale fairs, exhibitions, specialized warehouses, trading network, customer service provision of specialized transport.
- 3) Industrial infrastructure: - provision of production facilities and space, storage facilities, modern types of communications, water, gas and electricity supply service, transport service, wastewater and treatment systems.
- 4) Information institutions: - information and computing centers, marketing services, telecommunication networks, centers for the study of supply and demand, market conditions and capacity, advertising agencies, printing and publishing houses, consulting services.
- 5) Institutions for the organization of foreign economic relations: - foreign trade firms, customs authorities, international fairs, exhibitions, international trade centers, trade missions of foreign firms, foreign trade banks, international transportation service.
- 6) Administrative-legal and rights protection institutions: -administrative and legislative bodies, security and protection services, economic court, lawyer services, notary offices, legal consulting networks.
- 7) Market research institutes: - research institutes for the study of market problems, information and consulting firms, audit firms, special educational institutions.
- 8) Social institutions: - education, health care, labor exchanges, utilities, personal services, transport, communications.

Despite the very different degree of formation and functioning of institutional service structures in Uzbekistan, there are also common problems that are associated with the transition of the economic system and are expressed in the weaker development of such units

as exchange and trade and intermediary, financial and credit, foreign economic, which ensure the formation market mechanisms.

A study of problems in this area shows that with the expansion of production and the transition to the production of products that are competitive in the domestic and foreign markets, the needs of entrepreneurs will increase in consultations on the introduction of new equipment and technology, audit services, design estimates, legal services, marketing, transport services, etc.

In order to develop market infrastructures and to ensure the regulatory and legal criteria for the management and strategy of the state, in our opinion, it is necessary to carry out the following:

- to streamline the activities of scientific organizations, innovation funds, venture firms and structures of the innovation industry, accelerate the development of the "Innovation Code";
- To develop and approve the law on "The Immutability of Market Institutions" to ensure the confidence of investors and venture capital representatives. This law is to establish state guarantees for the creation of conditions for a certain period of market activity.

In order to improve the information service for entrepreneurs, we recommend organizing special information centers in the country, the network of which should cover the entire country with data on the types of main activities of all economic entities in the country, as well as information monitoring of the market situation in foreign countries.

The main driving force behind the rise in the development of entrepreneurship to a qualitatively new level is the personality of the entrepreneur. Its rapidly growing and changing needs encourage creative thought to expand the horizon of scientific knowledge, to search for new, more effective technical solutions, and their rapid and large-scale development in production.

A significant increase in the educational level of entrepreneurs, their qualifications and skills is a necessary prerequisite for carrying out economic reforms. Therefore, success in the development of entrepreneurship depends mainly on the activation of the human factor, on the formation of people who know the laws of this activity and skillfully use them to radically transform the economy and qualitatively renew our society.

We must pay attention to the need to strengthen personnel training, retrain the employed, the unemployed and young people for entrepreneurship. Along with existing business schools, etc., it is proposed to involve commercial structures of large industry associations and corporations in this business, since the participation of highly qualified employees of the above structures with basic potential can ensure that the necessary skills and knowledge are brought to students.

And also take into account that the leading role in the infrastructure of entrepreneurship belongs to the bodies of local khokimiyats, the regional structures created by them to support and develop small businesses and private entrepreneurship. These structures are better aware of the problems that entrepreneurs face in carrying out their activities, they can carry out all support activities more targeted, taking into account the priority areas of work of small businesses.

Based on the studies carried out, it can be concluded that infrastructure is an important integrating factor for entrepreneurial activity, which means that where a richer, more diverse and well-organized infrastructure is created, there are more opportunities for the formation of new areas of entrepreneurial activity, which, in its turn, it will provide new jobs, an influx of

taxes to the budget and other favorable conditions for the successful solution of the urgent socio-economic problems facing the republic.

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